

California Department of Food and Agriculture

LISTENING SESSION

San Luis Obispo, California

Tuesday, July 1, 2008

Presented by

Bill Mattos, President

California Poultry Federation

Good Morning. I'm Bill Mattos, president of the California Poultry Federation since 1991. I've seen many changes in my industry and others over the years, some good, some challenging and some disastrous; however, I look forward to presenting to you a concise look at our industry and what we see as the future of California agriculture in this country's largest state.

The California Poultry Federation represents primarily the meat poultry industry of California including chickens, turkeys, ducks, squab, game birds and the producers, farmers, processors and allied members associated with these businesses. We also represent the majority of state processing facilities from San Francisco to Los Angeles, which mainly serve an ethnic population within the largest cities of California. The CPF also represents some chicken layer companies in the Central Valley, and we are home to the California Poultry Health Board where we certify all poultry – birds and eggs – for shipment throughout the United States and the world. We are home to the West Coast's largest poultry producer, Foster Farms, and the world's largest squab processing plant, a cooperative with 60-plus growers located in Modesto. Our products reach primarily supermarkets throughout the West Coast, but we have many unique species that reach the finest white tablecloth restaurants in the United States and Canada.

California producers annually raise almost 300 million chickens, 17 million turkeys, 10 million Muscovy and Peking ducks, 1 million squab and thousands of other minor species. Retail sales total more than \$2 billion and 25,000 men and women work either directly in the industry or with allied businesses. We are an employee-rich operation with our largest processor/owner alone employing more than 11,000 people. Our members own more land in the Central Valley than most other agricultural businesses, particularly in the counties of Fresno, Merced and Stanislaus.

Our business has been built on the concept of "fresh and natural" and "California Grown." In fact, companies like Foster Farms and Zacky Farms focused on the "California Grown" label for the past 60 years, long before it became a popular slogan on California food packages. Today, we still believe that the "California Grown" label is one of the first things consumers look to when shopping in the Golden State. "Fresh and natural" is also important to our industry, since California consumers purchase more fresh poultry than any other state.

We also believe that it is important that the California Department of Food and Agriculture continue its partnership with the "California Grown" campaign; however, without allocating substantial government marketing money toward this program that can be bundled with private industry funds, we don't believe it can or will continue. Because the future of agriculture depends on the consumer, and because the consumer seeks products grown and raised in California, we believe the marketing aspect of your work should be a primary – if not the leading – component of your strategic planning. While we certainly don't expect you to do the work for our industry, we believe that your third-party efforts in marketing and promotion go a long way to moving more of our products at the retail level.

While there are substantial issues that agriculture will face in the coming years, and you have heard about many of them already during your listening sessions, I want to leave you with one other concern.

The poultry industry believes the relationship between government agencies must be strengthened so that each leader of the state cabinet understands the importance of agriculture and has some basic knowledge of the businesses we lead. This may mean more hands-on education of our leaders as they enter a new administration. The rules and regulations that are coming from so many agencies many times have a direct affect on how we do business.

As many of you understand, the work we do and the products we create are important to the basic fabric of our state and our nation. Much of this work is complex and creative, and when leaders who don't understand our business come up with unreasonable ways to make us change, it is disastrous. We are facing some of those recent decisions right now.

The poultry industry competes for customers with many other states, including Arkansas, Georgia, Minnesota, Alabama, North Carolina, Virginia and Texas. It's important that government understands the need for a level playing field here, which would include environmental and economic policies that make sense for our business.

The poultry industry will grow as fast and as efficient as California's environmental and business climate allows. Today we feed almost half of California's residents, and as our state adds 600,000 new people a year, these men and women will each consume about 100 pounds of poultry a year. Californians consume more than 3 billion pounds of poultry each year. We would like most of that to be California poultry, but that will be up to our efforts to provide a fresh, natural "California Grown" product that meets the demands of discerning population.

Thank you for your time, and I look forward to working with your department and the rest of agriculture to see that we do have a bright future for agriculture in coming years.